M&G Platform

FACTSHEET

Junior ISA

The M&G Platform Stocks and Shares Junior Individual Savings Account (Junior ISA) allows you to invest for the benefit of a child, up to the subscription limit set by HM Revenue & Customs (HMRC).

This factsheet gives you some key information about the Stocks and Shares Junior ISA; please read it together with the:

- M&G Platform Guide
- M&G Platform Terms
- M&G Platform JISA Target Market Statement



Questions and Answers

What is a Stocks and Shares Junior ISA?

A Stocks and Shares Junior Individual Savings Account (Junior ISA) is a tax-efficient savings plan in which you may invest, for the benefit of a child.

Who can have a Junior ISA?

A Junior ISA may be owned by a child under the age of 18, and who must be resident in the UK for tax purposes. The child must either not have a Child Trust Fund account, or if they do have one, they must transfer the value into the Junior ISA before any subscriptions are made to the Junior ISA.

When the child reaches the age of 18 we will close the Junior ISA. At this point we can either pay the value to the child or they can transfer the value of the Account to an ISA with us, or with another provider.

Who can apply for a Junior ISA?

A parent, or guardian, may apply on behalf of the child. Or, if the child is aged 16 or 17, the child can apply.

Your Financial Adviser can complete an Application and advise you on the investments for the Junior ISA. If we accept the Application, we will open the Junior ISA once the money has cleared into your Account.

How much can be saved in a Junior ISA?

Payments into a Junior ISA are subject to the limits set by HMRC. Your Financial Adviser can provide you with information about subscriptions limits, or you can visit the HMRC Junior Individual Savings Accounts web page.

There are two types of Junior ISA:

- Stocks and Shares Junior ISA
- Cash Junior ISA

A child can hold up to two Junior ISAs (no more than one of each type) throughout their childhood. You can divide your payments between the two types of Junior ISA within a tax year, as long as you do not exceed the overall subscription limit in total. A tax year is 6 April to 5 April. Any subscriptions will be treated as a gift to the child.

You can make additional payments at any time, provided these do not exceed the subscriptions limits. We do not charge for making additional subscriptions.

IFDL does not offer a Cash Junior ISA.

Can a Junior ISA be included in a Family Group?

Yes. A Junior ISA can be included in an eligible Family Group. As Junior ISAs are often smaller than other Accounts, linking eligible family Accounts may help reduce the impact of the minimum platform charge, as platform charges are assessed using their combined value.

Please see the M&G Platform Guide for more information about Family Groups and charges.

Who owns the cash and Assets within the Junior ISA?

The cash and Assets within a Junior ISA will belong to the named child Account holder.

Can I transfer an existing Junior ISA or a Child Trust Fund?

You can transfer from an existing Junior ISA or a Child Trust Fund to us at any time. You must apply to do this in writing. Your Financial Adviser can help you with this.

You may transfer some or all of any previous tax year subscriptions, however, although partial transfers of current year subscriptions are permissible within the ISA regulations, any current tax year subscriptions must be transferred to us in full.

If you are transferring a Stocks and Shares Junior ISA the transfer will need to be completed in full as the child is only able to hold one Stocks and Shares Junior ISA at any one time. If you are transferring a Child Trust Fund, the Child Trust Fund must be transferred in full.

You may be able to transfer in existing assets held in the child's name from another ISA provider without needing to first convert the asset into cash. This transfer process is known as re-registration. A Junior ISA transfer may be made in cash or by re-registering assets, subject to our and the ISA Manager's agreement. A Child Trust Fund transfer may only be made in cash, subject to our and the Child Trust Fund provider's agreement.

You will need to check with your existing ISA Manager or Child Trust Fund Provider whether they will make a charge to sell the assets and transfer the money in cash or make a charge to re-register the assets.

→ Transfers from a Child Trust Fund

A Child Trust Fund transfer may only be made in cash, subject to our and the Child Trust Fund provider's agreement. Transfers of Child Trust Funds must be in full.

→ Can I move funds to another ISA Manager?

You can transfer your Junior ISA to another ISA Manager at any time. You must apply to do this in writing.

You may transfer all of the Junior ISA, provided the new ISA Manager agrees to the transfer. A transfer may be made in cash or by re-registering assets subject to the new ISA Manager's agreement. We do not offer partial transfers out and so the Junior ISA must be transferred in full.

We will not apply a charge for making a transfer. However you will need to check with the investment provider of your underlying investments whether they will make a charge to sell the assets and transfer the monies in cash or make a charge to re-register the assets.

→ What about tax in the Junior ISA?

There is no tax to pay on any income received in the Junior ISA and no Capital Gains Tax is payable on any growth.

Where income tax has been deducted, we will reclaim tax from HMRC on your behalf where appropriate, and this will be paid back to the Junior ISA.

You do not have to declare Junior ISA interest, income or capital gains on your tax returns.

Please note that tax rules, and their effect on your individual circumstances, may change in the future.

→ Can I withdraw money from the Junior ISA?

Normally, no withdrawals are allowed from the Junior ISA. This means that once money is placed into the Account, you cannot withdraw it until the child is aged 18. Withdrawals are allowed where the child is terminally ill or has died.

→ What happens if the child dies?

If the child dies, their personal representatives must close the Junior ISA. When we receive appropriate proof of title, we will pay them the balance together with any interest earned up to the date we close the Junior ISA; or if requested, we will transfer the Junior ISA investments to them. The balance will take into account any gain or loss in the value of investments. The proceeds from the Junior ISA will form part of the child's estate for Inheritance Tax purposes.

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